

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 17th day of May 1961, become the decision of the Commission; and, accordingly:

It is ordered, That the respondents herein shall within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist.

IN THE MATTER OF
FLEMINGTON FUR COMPANY ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION AND THE FUR PRODUCTS LABELING ACTS

Docket 8246. Complaint, Dec. 28, 1960—Decision, May 17, 1961

Consent order requiring furriers in Flemington, N.J., to cease violating the Fur Products Labeling Act by advertising in newspapers which failed to disclose the name of the country of origin of imported furs, and represented falsely that they manufactured all the fur products they handled and acted as their own distributor; and by failing to comply with invoicing requirements.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Flemington Fur Company, a corporation, and Philip J. Benjamin and Joseph Birnbaum, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Flemington Fur Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey with its office and principal place of business located at 8 Spring Street, Flemington, New Jersey.

Respondents Philip J. Benjamin and Joseph Birnbaum are officers of the corporate respondent. They control, formulate and direct the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. Their address is the same as that of the corporate respondent.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952, respondents have been and are now engaged in the introduction into commerce, and in the manufacture for introduction into commerce, and in the sale, advertising, offering for sale, transportation and distribution, in commerce, of fur products, and have manufactured for sale, sold, advertised, offered for sale, transported and distributed fur products which have been made in whole or in part of fur which had been shipped and received in commerce as the terms "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were falsely and deceptively invoiced by the respondents in that they were not invoiced as required by Section 5(b)(1) of the Fur Products Labeling Act, and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

PAR. 4. Certain of said fur products were falsely and deceptively advertised in violation of the Fur Products Labeling Act in that respondents caused the dissemination in commerce, as "commerce" is defined in said Act, of certain radio broadcasts concerning said products which were not in accordance with the provisions of Sec-

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tion 5(a) of the Act and the Rules and Regulations promulgated thereunder and which advertisements were intended to aid, promote or assist, directly or indirectly in the sale and offering for sale of said fur products.

PAR. 5. Among and included in the advertisements as aforesaid but not limited thereto were advertisements of respondents which were broadcast over Station WOR, a radio station located in New York, New York and having a wide coverage in said State and various other States of the United States.

By means of said advertisements and others of similar import and meaning not specifically referred to herein, respondents falsely and deceptively advertised fur products in that said advertisements failed to disclose the name of the country of origin of the imported furs contained in the fur product, in violation of Section 5(a)(6) of the Fur Products Labeling Act.

PAR. 6. In advertising fur products for sale as aforesaid respondents falsely and deceptively advertised said fur products in violation of Section 5(a)(5) of the Fur Products Labeling Act by representing, directly or by implication, through such statements as "Flemington furs are of the finest quality * * * the same fine quality as you would expect to find at the leading couturiers throughout the world. Only the price is lower because you buy from New Jersey's largest manufacturer and distributor of fine furs", that respondents manufacture all of the fur products marketed by them and act as their own distributor of all such fur products, and, therefore, purchasers of respondents' fur products are enabled to obtain price concessions not obtainable in the usual retail channels of trade.

In truth and in fact, respondents procure a substantial majority of their fur products from outside manufacturers and wholesalers and sell and offer for sale such products at retail prices. The term "distributor" is used with reference to such products and is not limited to the products manufactured by respondents. Purchasers of fur products which are procured from outside manufacturers and wholesalers are not dealing directly with the manufacturer or distributor as advertised.

PAR. 7. The aforesaid acts and practices of respondents, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair and deceptive acts and practices in commerce under the Federal Trade Commission Act.

Mr. Charles W. O'Connell and Mr. Arthur Wolter, Jr., for the Commission.

Respondents, pro se.

INITIAL DECISION BY WALTER R. JOHNSON, HEARING EXAMINER

In the complaint dated December 28, 1960, the respondents are charged with violating the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder.

On March 13, 1961, the respondents entered into an agreement with counsel in support of the complaint for a consent order.

Under the foregoing agreement, the respondents admit the jurisdictional facts alleged in the complaint. The parties agree, among other things, that the cease and desist order there set forth may be entered without further notice and have the same force and effect as if entered after a full hearing and the document includes a waiver by the respondents of all rights to challenge or contest the validity of the order issuing in accordance therewith. The agreement further recites that it is for settlement purposes only and does not constitute an admission by the respondents that they have violated the law as alleged in the complaint.

The hearing examiner finds that the content of the agreement meets all of the requirements of section 3.25(b) of the Rules of the Commission.

The hearing examiner being of the opinion that the agreement and the proposed order provide an appropriate basis for disposition of this proceeding as to all of the parties, the agreement is hereby accepted and it is ordered that the agreement shall not become a part of the official record of the proceeding unless and until it becomes a part of the decision of the Commission. The following jurisdictional findings are made and the following order issued.

1. Respondent Flemington Fur Company is a corporation existing and doing business under and by virtue of the laws of the State of New Jersey. Individual respondents Philip J. Benjamin and Joseph Birnbaum are officers of said corporate respondent. Said individual respondents formulate, direct, and control the acts and practices of the corporate respondent. All respondents have their office and principal place of business at 8 Spring Street, Flemington, New Jersey.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

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ORDER

It is ordered, That Flemington Fur Company, a corporation, and its officers, and Philip J. Benjamin and Joseph Birnbaum, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, manufacture for introduction, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of fur products or in connection with the sale, manufacture for sale, advertising, offering for sale, transportation or distribution of fur products which have been made in whole or in part of fur which has been shipped and received in commerce, as "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

1. Falsely or deceptively invoicing fur products by:

A. Failing to furnish to purchasers of fur products invoices showing all the information required to be disclosed by each of the subsections of Section 5(b)(1) of the Fur Products Labeling Act.

2. Falsely or deceptively advertising fur products through the use of any advertisement, representation, public announcement or notice which is intended to aid, promote or assist, directly or indirectly, in the sale or offering for sale of fur products and which:

A. Represents directly or by implication that respondents are wholesale or manufacturing distributors of fur products when such is not the fact.

B. Uses the word "manufacturers" or any simulation thereof with reference to any fur products procured from outside sources of supply and not manufactured by respondents.

C. Fails to disclose the name of the country of origin of any imported furs contained in a fur product.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 17th day of May 1961, become the decision of the Commission; and, accordingly:

It is ordered, That respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist.

IN THE MATTER OF

KNICKERBOCKER CASE CORPORATION ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT*Docket 7818. Complaint, Mar. 10, 1960—Decision, May 18, 1961*

Consent order requiring a Chicago manufacturer-jobber to cease representing falsely in catalogs and other advertising that its vinyl and surtex luggage and brief cases had all the qualities of leather, that they were scuff proof, that products made of vinyl or a plastic containing pulverized leather were manufactured of leather, that it was the manufacturer of all such products offered for sale, and that amounts set out as "retail" were the usual retail prices therefor.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that Knickerbocker Case Corporation, a corporation, and Chester William Buchsbaum and Samuel Buchsbaum, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Knickerbocker Case Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its office and principal place of business located at 501 West Huron Street, Chicago, Illinois. Respondents Chester William Buchsbaum and Samuel Buchsbaum are individuals and president and secretary-treasurer, respectively, of the said corporation, and have their office and place of business at the same address as the corporate respondent. Said individual respondents direct and control the policies, acts and practices of the corporate respondent.

PAR. 2. Respondents are now, and for more than two years last past have been, engaged in the sale offering for sale and distribution of luggage, brief cases and other merchandise, as manufacturers and jobbers to wholesalers and retailers for resale to the public.